

MINUTES

ROCKFORD POLICE PENSION BOARD

AUGUST 15, 2013

MEMBERS PRESENT: Jeff Nielsen, President
Marcia Mueller, VP
Matt Williams, Secretary
Mike McDonald, Assist Secretary
Scott Laue, Trustee

ABSENT:

ALSO PRESENT: Roberta Holzwarth – Holmstrom & Kennedy

GUESTS: Karen Fysh

STAFF: Ted Dutkiewicz, Finance
Linda Wlaznik, Finance

The August 15, 2013 Rockford Police Pension Board convened at City Hall 425 E. State St., Jeff Nielsen called the meeting to order at 8:05 am.

MINUTES

Motion by Mueller and seconded by Laue to approve minutes of the July 18, 2013 Board meeting as corrected. APPROVED.

PUBLIC COMMENT

NONE

CASH & INVESTMENT REPORT

Dutkiewicz stated that for the month the fund was up 2.8%, for the year up 7.9%.

Motion by Mueller and seconded by Laue to approve withdrawal of \$280,000 from Vanguard Mid Cap Fund, \$285,000 withdrawal from Vanguard Institutional Index Fund, and \$285,000 withdrawal from Vanguard Value Index Fund for cash needs. APPROVED.

Ayes: Nielsen, Mueller, McDonald, and Laue

Nays: None

Matt Williams joined the meeting at 8:16 a.m.

Motion by Mueller and seconded by Laue to approve purchases and sales. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

NEW BUSINESS

Nielsen reported that Mrs. Fysh was in attendance. Due to the audit, adjustments were needed for two pensioners. Mrs. Fysh received a letter from Attorney Holzwarth regarding the overpayment received from her husband's pension. Attorney Holzwarth apologized to the board; due to the timing Mrs. Fysh did not have time to submit a response in writing regarding the overpayment.

Mrs. Fysh stated that at 70 years old she is still working due to her financial situation and informed the board of the hardship that the repayment will cause. The board continued to discuss procedures for the finality of the decision. Mueller suggested extending the time period to the September meeting to allow Mrs. Fysh time to provide supporting data.

Motion to go into closed session pursuant to Open Meetings Act section 2(c) (21) to discuss the Fysh matter was made by Mueller and seconded by McDonald at 8:33 a.m.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

The meeting returned to open session at 9:10 a.m. and found the following members present: Marcia Mueller, Matt Williams, Mike McDonald, Scott Laue, and Jeff Nielsen.

Motion by Mueller and seconded by Williams to continue to pay correct pension of \$2,140.71 monthly pending further review at the September meeting; written notice will be given to Mrs. Fysh. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Williams to stay interim decision of deduction of pension payments to reimburse overpayment in the amount of \$116.84 monthly; written notice will be given to Mrs. Fysh. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Nielsen explained the process to Mrs. Fysh.

September meeting date was set for 23rd; regular meeting at 8:00 a.m., disability hearing for Amado Soria to begin at 9:30 a.m.

BILLS

Motion by Mueller and seconded by Laue to approve August City Services of \$9,300.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve July postage charges of \$123.88. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for July attorney fees for general in the amount of \$2,025.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for July attorney fees for the Haske-Whisenand disability matter in the amount of \$4,927.50. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for July attorney fees for the Soria disability matter in the amount of \$4,720.00, which includes \$1,080.00 for services and \$3,640.00 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy, P.C. for July attorney fees for the Lesmeister disability matter in the amount of \$712.92, which includes \$607.50 for services and \$105.42 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Laue to approve payment to Holmstrom & Kennedy, P.C. for July attorney fees for the Drnek disability matter in the amount of \$1,406.81, which includes \$765.00 for services and \$641.81 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Holmstrom & Kennedy P.C. for July attorney fees for the Honzel disability matter in the amount of \$988.07, which includes \$720.00 for services; and \$268.07 for disbursements. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Segall Bryant & Hamill for investment management fees for July 1, 2013 through September 30, 2013 in the amount of \$17,073.33. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Marquette Associates for investment management fees for August 1, 2013 through October 31, 2013 in the amount of \$16,250.00 and the retroactive fee increase for July 1-31, 2013 in the amount of \$2,166.66. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue
Nays: None

Motion by Mueller and seconded by Williams to approve payment to Kayne Anderson Rudnick for investment management fees for April 1, 2013 through June 30, 2013 in the amount of \$31,303.00. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

OLD BUSINESS

Dutkiewicz stated that fiduciary liability policy is still open. The original carrier on the policy is not willing to increase the liability at this time.

Dutkiewicz distributed the actuarial report to the board. The board discussed the need to schedule a teleconference with Tim Sharpe.

NEW BUSINESS

Motion by Mueller and seconded by Williams to approve the Law Enforcement Safety Act waiver for Steven Allen. APPROVED.

PAYROLL

Motion by Mueller and seconded by Williams to approve the August estimated payroll amount of \$1,137,656.37. APPROVED.

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Motion by Mueller and seconded by Williams to approve the July actual payroll amount of \$1,137,998.91. APPROVED. (Adjusted to eliminate Forney refund).

Ayes: Nielsen, Mueller, Williams, McDonald, and Laue

Nays: None

Dutkiewicz reported that there was an issue with the Fire Pension Board regarding taxability of disability pensions. Any disability pension over 65% is taxable. We will be getting both board attorneys involved.

A motion to adjourn was made and seconded at 9:45 a.m.

A handwritten signature in dark ink, appearing to be 'M. D.', is written over the text of the adjournment motion.